



Livi Bank

Unaudited Regulatory Disclosure Statement

For the period ended 30 June 2026

Livi Bank Limited

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1 Introduction

Unaudited Regulatory Disclosure Statement

This Unaudited Regulatory Disclosure Statement should be read in conjunction with the 2026 Condensed Interim Financial Statements ("financial statements"). The financial statements and this Regulatory Disclosure Statement taken together comply with the Banking (Disclosure) Rules ("Rules") under section 60A of the Banking Ordinance.

These banking disclosures are governed by the Bank's disclosure policy, which has been approved by the Board of Directors. The disclosure policy sets out the approach to determine the content, appropriateness and frequency of the disclosures, the approach to ensure the relevance and adequacy of the disclosures, and the internal control over the process for making the disclosures. The disclosures have been subject to independent review in accordance with the disclosure policy.

Prior period disclosures as required by the Banking (Disclosure) Rules are available on our website: www.livibank.com.

Basis of preparation and consolidation

The capital ratios were calculated in accordance with the Banking (Capital) Rules ("BCR") of the Hong Kong Banking Ordinance. In calculating the risk weighted amounts, the Bank adopted the Standardized (Credit Risk) Approach and the Simplified Standardized (Market Risk) Approach for credit risk and market risk respectively. For operational risk, the capital requirement is calculated using Business Indicator to calculate the operational risk capital charge.

At 30 June 2026, the Bank does not have any subsidiaries.

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2 Key Prudential Ratios (KM1)

The following table sets out an overview of the Bank's key prudential ratios.

	(a) At 30 June 2026 HK\$'000	(b) At 31 March 2026 HK\$'000	(c) At 31 December 2025 HK\$'000	(d) At 30 September 2025 HK\$'000	(e) At 30 June 2025 HK\$'000
Regulatory capital (amount)					
1 & 1a Common Equity Tier 1 (CET1)	964,539	948,847	926,094	892,680	886,807
2 & 2a Tier 1	1,763,615	1,747,923	1,725,170	1,691,756	1,685,883
3 & 3a Total capital	1,789,214	1,776,493	1,757,425	1,724,183	1,720,991
RWA (amount)					
4 Total RWA ²	2,344,344	2,574,795	2,855,044	2,846,068	3,038,632
4a Total RWA (pre-floor)	2,344,344	2,574,795	2,855,044	2,846,068	3,038,632
Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a CET1 ratio (%) ¹	41.1%	36.9%	32.4%	31.4%	29.2%
5b CET1 ratio (%) (pre-floor ratio)	41.1%	36.9%	32.4%	31.4%	29.2%
6 & 6a Tier 1 ratio (%) ¹	75.2%	67.9%	60.4%	59.4%	55.5%
6b Tier 1 ratio (%) (pre-floor ratio)	75.2%	67.9%	60.4%	59.4%	55.5%
7 & 7a Total capital ratio (%) ¹	76.3%	69.0%	61.6%	60.6%	56.6%
7b Total capital ratio (%) (pre-floor ratio)	76.3%	69.0%	61.6%	60.6%	56.6%
Additional CET1 buffer requirements (as a percentage of RWA)					
8 Capital conservation buffer requirement (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9 Countercyclical capital buffer requirement (%)	0.5%	0.5%	0.5%	0.5%	0.5%
10 Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0.0%	0.0%	0.0%	0.0%	0.0%
11 Total AI-specific CET1 buffer requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
12 CET1 available after meeting the AI's minimum capital requirements (%)	35.7%	31.5%	27.1%	23.4%	21.2%
Basel III leverage ratio					
13 Total leverage ratio (LR) exposure measure	6,533,966	6,993,436	7,034,349	7,135,016	6,902,594
13a LR exposure measure based on mean values of gross assets of SFTs	6,533,966	6,993,436	7,034,349	7,135,016	6,902,594
14, 14a & 14b LR (%) ³	27.0%	25.0%	24.5%	23.7%	24.4%
14c & 14d LR (%) based on mean values of gross assets of SFTs	27.0%	25.0%	24.5%	23.7%	24.4%
Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
Applicable to category 1 institutions only:					
15 Total high quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	N/A
16 Total net cash outflows	N/A	N/A	N/A	N/A	N/A
17 LCR (%)	N/A	N/A	N/A	N/A	N/A
Applicable to category 2 institutions only:					
17a LMR (%) [#]	116.2%	116.8%	129.6%	120.6%	119.0%
Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
Applicable to category 1 institutions only:					
18 Total available stable funding	N/A	N/A	N/A	N/A	N/A
19 Total required stable funding	N/A	N/A	N/A	N/A	N/A
20 NSFR (%)	N/A	N/A	N/A	N/A	N/A
Applicable to category 2A institutions only:					
20a CFR (%)	N/A	N/A	N/A	N/A	N/A

2 Key Prudential Ratios (KM1) (continued)

- ¹ Increase in CET1%, Tier 1% and Total CAR% as of 30 June 2026 was driven by a decrease in risk-weighted assets ("RWA") and higher capital resulting from operating profit in Q2 2026 and lower CET1 deductions following a decrease in intangible assets.
- ² Please refer to note 3 for the key drivers of changes in total RWA.
- ³ Please refer to note 6 for the key drivers of changes in the leverage ratio.

The LMR disclosed above represents the arithmetic mean of the average value of the LMR for each calendar month within the quarter.

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3 Overview of risk-weighted amount (“RWA”) (OV1)

The following table sets out an overview of capital requirements in terms of a detailed breakdowns of RWAs for various risks.

	(a)	(b)	(c)
	RWA		Minimum capital requirements
	At	At	At
	30 June	31 March	30 June
	2026	2026	2026
	HK\$'000	HK\$'000	HK\$'000
1 Credit risk for non-securitization exposures¹	2,047,894	2,285,620	163,832
2 Of which STC approach	2,047,894	2,285,620	163,832
2a Of which BSC approach	—	—	—
3 Of which foundation IRB approach	—	—	—
4 Of which supervisory slotting criteria approach	—	—	—
5 Of which advanced IRB approach	—	—	—
5a Of which retail IRB approach	—	—	—
5b Of which specific risk-weight approach	—	—	—
5c Of which cryptoasset exposures to credit risk calculated in accordance with section 376 and Divisions 5, 6 and 8 of Part 12 of the BCR	—	—	—
6 Counterparty credit risk and default fund contributions	—	—	—
7 Of which SA-CCR approach	—	—	—
7a Of which CEM	—	—	—
8 Of which IMM(CCR) approach	—	—	—
8a Of which method for group 2b cryptoasset derivative contracts	—	—	—
9 Of which others	—	—	—
10 CVA risk	—	—	—
11 Equity positions in banking book under the simple risk-weight method and internal models method	N/A	N/A	N/A
12 Collective investment scheme (“CIS”) exposures – Look-through approach / third-party approach	—	—	—
13 CIS exposures – mandate-based approach	—	—	—
14 CIS exposures – fall-back approach	—	—	—
14a CIS exposures – combination of approaches	—	—	—
15 Settlement risk	—	—	—
16 Securitization exposures in banking book	—	—	—
17 Of which SEC-IRBA	—	—	—
18 Of which SEC-ERBA (including IAA)	—	—	—
19 Of which SEC-SA	—	—	—
19a Of which SEC-FBA	—	—	—
20 Market risk²	—	—	—
21 Of which STM approach	—	—	—
22 Of which IMA	—	—	—
22a Of which SSTM approach	—	—	—
23 Capital charge for moving exposures between trading book and banking book	N/A	N/A	N/A
24 Operational risk³	296,450	289,175	23,716
24a Sovereign concentration risk	—	—	—
25 Amounts below the thresholds for deduction (subject to 250% RW)	—	—	—
26 Output floor level applied	—	—	—
27 Floor adjustment (before application of transitional cap)	—	—	—
28 Floor adjustment (after application of transitional cap)	N/A	N/A	N/A

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3 Overview of risk-weighted amount (“RWA”) (OV1) (continued)

	(a)	(b)	(c)
	RWA		Minimum capital requirements
	At	At	At
	30 June	31 March	30 June
	2026	2026	2026
	HK\$'000	HK\$'000	HK\$'000
28a Deduction to RWA	—	—	—
28b Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 capital	—	—	—
28c Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	—	—	—
29 Total	2,344,344	2,574,795	187,548

¹ Decrease in credit risk for non-securitization exposures as of 30 June 2026 was primarily due to the decrease in loan portfolio.

² Since the end of March 2024, the Bank has been exempted under section 22(1) of the BCR from the requirement to calculate market risk under section 17.

³ Increase in operational risk exposure was driven by higher fee income in Q2 2026.

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4 Composition of regulatory capital

a. Composition of regulatory capital (CC1)

The following table sets out a breakdown of the constituent elements of Total regulatory capital.

	(a)	(b)
		Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation in (note 4b) (CC2)
At 30 June 2026	HK\$'000	
CET1 capital: instruments and reserves		
1 Directly issued qualifying CET1 capital instruments plus any related share premium	3,792,000	(3)
2 Retained earnings	(2,791,977)	(4)
3 Disclosed reserves	(1,161)	(5)
5 Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	—	
6 CET1 capital before regulatory deductions	998,862	
CET1 capital: regulatory deductions		
7 Valuation adjustments	—	
8 Goodwill (net of associated deferred tax liabilities)	—	(1)
9 Other intangible assets (net of associated deferred tax liabilities)	34,323	(2)
10 Deferred tax assets (net of associated deferred tax liabilities)	—	
11 Cash flow hedge reserve	—	
12 Excess of total EL amount over total eligible provisions under the IRB approach	—	
13 Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	—	
14 Gains and losses due to changes in own credit risk on fair valued liabilities	—	
15 Defined benefit pension fund net assets (net of associated deferred tax liabilities)	—	
16 Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	—	
17 Reciprocal cross-holdings in CET1 capital instruments	—	
18 Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation amount above 10% threshold)	—	

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4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

	(a)	(b) Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation in (note 4b) (CC2)
At 30 June 2026	HK\$'000	
19 Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
20 Mortgage servicing rights (net of associated deferred tax liabilities)	N/A	N/A
21 Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	N/A	N/A
22 Amount exceeding the 15% threshold	N/A	N/A
23 of which: significant investments in the ordinary share of financial sector entities	N/A	N/A
24 of which: mortgage servicing rights	N/A	N/A
25 of which: deferred tax assets arising from temporary differences	N/A	N/A
26 National specific regulatory adjustments applied to CET1 capital	–	
26a Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	–	
26b Regulatory reserve for general banking risks	–	
26c Securitization exposures specified in a notice given by the MA	–	
26d Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	–	
26e Capital shortfall of regulated non-bank subsidiaries	–	
26f Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	–	
27 Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	–	
28 Total regulatory deductions to CET1 capital	34,323	
29 CET1 capital	964,539	
AT1 capital: instruments		
30 Qualifying AT1 capital instruments plus any related share premium	799,076	(6)
31 of which: classified as equity under applicable accounting standards	799,076	
32 of which: classified as liabilities under applicable accounting standards	–	
34 AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	–	

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4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

	(a)	(b) Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation in (note 4b) (CC2)
At 30 June 2026	HK\$'000	
36 AT1 capital before regulatory deductions	799,076	
AT1 capital: regulatory deductions		
37 Investments in own AT1 capital instruments	—	
38 Reciprocal cross-holdings in AT1 capital instruments	—	
39 Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	—	
40 Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	—	
41 National specific regulatory adjustments applied to AT1 capital	—	
42 Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	—	
43 Total regulatory deductions to AT1 capital	—	
44 AT1 capital	799,076	
45 Tier 1 capital (T1 = CET1 + AT1)	1,763,615	
Tier 2 capital: instruments and provisions		
46 Qualifying Tier 2 capital instruments plus any related share premium	—	
48 Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	—	
50 Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	25,599	
51 Tier 2 capital before regulatory deductions	25,599	
Tier 2 capital: regulatory deductions		
52 Investments in own Tier 2 capital instruments	—	
53 Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	—	
54 Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	—	
54a Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as “section 2 institution” under §2(1) of Schedule 4F to BCR only)	—	

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4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

	(a)	(b)
		Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation in (note 4b) (CC2)
At 30 June 2026	HK\$'000	
55 Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	
55a Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	
56 National specific regulatory adjustments applied to Tier 2 capital	—	
56a Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	—	
56b Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within BCR §48(1)(g)	—	
57 Total regulatory adjustments to Tier 2 capital	—	
58 Tier 2 capital (T2)	25,599	
59 Total regulatory capital (TC = T1 + T2)	1,789,214	
60 Total RWA	2,344,344	
Capital ratios (as a percentage of RWA)		
61 CET1 capital ratio	41.1%	
62 Tier 1 capital ratio	75.2%	
63 Total capital ratio	76.3%	
64 Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	3.0%	
65 of which: capital conservation buffer requirement	2.5%	
66 of which: bank specific countercyclical capital buffer requirement	0.5%	
67 of which: higher loss absorbency requirement	0.0%	
68 CET1 (as a percentage of RWA) available after meeting minimum capital requirements	35.7%	
National minima (if different from Basel 3 minimum)		
69 National CET1 minimum ratio	N/A	N/A
70 National Tier 1 minimum ratio	N/A	N/A
71 National Total capital minimum ratio	N/A	N/A

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4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

	(a)	(b)
		Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation in (note 4b) (CC2)
At 30 June 2026	HK\$'000	
Amounts below the thresholds for deduction (before risk weighting)		
72 Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	—	
73 Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	—	
74 Mortgage servicing rights (net of associated deferred tax liabilities)	N/A	N/A
75 Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	N/A	N/A
Applicable caps on the inclusion of provisions in tier 2 capital		
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	—	
77 Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	—	
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	—	
79 Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	—	

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4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

(Notes) to the template:

(Elements where a more conservative definition has been applied in the BCR relative to that set out in the Basel III capital standards.)

Description	At 30 June 2026	
	Hong Kong basis HK\$'000	Basel III basis HK\$'000
9. Other intangible assets (net of associated deferred tax liabilities)	34,323	34,323

Explanation

As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights ("MSRs") may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.

10. Deferred tax assets (net of associated deferred tax liabilities)	—	—
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Explanation

As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.

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4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

Description	At 30 June 2026	
	Hong Kong basis HK\$'000	Basel III basis HK\$'000
18. Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	–

Explanation

For the purpose of determining the total amount of insignificant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.

19. Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	–
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Explanation

For the purpose of determining the total amount of significant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.

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4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

Description	At 30 June 2026	
	Hong Kong basis HK\$'000	Basel III basis HK\$'000
39. Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	—	—

Explanation

The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in AT1 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 39 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.

54 . Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	—	—
--	---	---

Explanation

The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in Tier 2 capital instruments and non-capital LAC liabilities may be smaller. Therefore, the amount to be deducted as reported in row 54 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 54 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.

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4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

Remarks:

The amount of the 10% threshold and 5% threshold mentioned above is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime.

abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

(Note:)

Cross-references 1 to 6 are referenced to Reconciliation of regulatory capital to balance sheet (CC2).

b. Reconciliation of regulatory capital to balance sheet (CC2)

	(a) Balance sheet as in published financial statements (At 30 June 2026) HK\$'000	(b) Under regulatory scope of consolidation (At 30 June 2026) HK\$'000	(c) Cross reference to (note 4a) (CC1)
Assets			
Cash and balances with banks	353,655	353,655	
Placements with banks	28,229	28,229	
Financial investments	3,583,509	3,583,509	
Loans and advances to customers	2,464,186	2,464,186	
Property, plant and equipment	20,765	20,765	
Intangible assets	34,323	34,323	
<i>of which: goodwill</i>	—	—	(1)
<i>of which: other intangible assets</i>	34,323	34,323	(2)
Prepayments and other assets	54,765	54,765	
Total assets	6,539,432	6,539,432	

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4 Composition of regulatory capital (continued)

b. Reconciliation of regulatory capital to balance sheet (CC2) (continued)

	(a)	(b)	(c)
	Balance sheet as in published financial statements (At 30 June 2026) HK\$'000	Under regulatory scope of consolidation (At 30 June 2026) HK\$'000	Cross reference to (note 4a) (CC1)
Liabilities			
Customer deposits	2,961,593	2,961,593	
Balances from banks	1,339,000	1,339,000	
Repurchase agreements	200,000	200,000	
Lease liabilities	18,233	18,233	
Other liabilities and provisions	222,668	222,668	
Total liabilities	4,741,494	4,741,494	
Equity			
Share capital	3,792,000	3,792,000	
<i>of which: amount eligible for CET1</i>	3,792,000	3,792,000	(3)
Other equity instruments – AT1	799,076	799,076	
<i>of which: amount eligible for Tier 1</i>	799,076	799,076	(6)
Reserves	(2,793,138)	(2,793,138)	
<i>of which: Accumulated losses</i>	(2,791,977)	(2,791,977)	(4)
<i>of which: FVOCI reserve</i>	(1,161)	(1,161)	(5)
Total equity	1,797,938	1,797,938	
Total liabilities and equity	6,539,432	6,539,432	

c. Main features of regulatory capital instruments (CCA)

The full terms and conditions of the Bank's capital instruments can be found in the Regulatory Disclosures section of our website, www.livibank.com.

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4 Composition of regulatory capital (continued)

c. Main features of regulatory capital instruments (CCA) (continued)

(i) Ordinary Shares

1	Issuer	Livi Bank Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	Hong Kong Law
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules ¹	N/A
5	Basel III rules ²	Common Equity Tier 1
6	Eligible at solo / group / solo & group	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	HKD3,792 Million
9	Par value of instrument	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	21 March 2019 (300,000,000) 24 May 2019 (2,200,000,000) 29 April 2022 (300,000,000) 21 September 2023 (992,000,000)
12	Perpetual or dated	Perpetual
13	Original maturity date	Undated
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	Subordinated capital securities in (ii) of the main features table
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

Footnote:

¹ Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules.

² Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules.

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4 Composition of regulatory capital (continued)

c. Main features of regulatory capital instruments (CCA) (continued)

(ii) Perpetual non-cumulative capital securities

1	Issuer	Livi Bank Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	Hong Kong Law
Regulatory treatment		
4	Transitional Basel III rules ¹	N/A
5	Basel III rules ²	Additional Tier 1
6	Eligible at solo / group / solo and group	Solo
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Additional Tier 1 loan (the "AT1 loan")
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	HKD799 Million
9	Par value of instrument	HKD800 Million
10	Accounting classification	Shareholders' equity
11	Original date of issuance	5 May 2023
12	Perpetual or dated	Perpetual
13	Original maturity date	Undated
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	Optional Early Repayment Date: 5 May 2028
16	Subsequent call dates, if applicable	Any Interest Payment Date thereafter
Coupons / dividends		
17	Fixed or floating dividend / coupon	Fixed
18	Coupon rate and any related index	9.8 per cent per annum payable in arrears five years after the Drawdown Date and every five years thereafter
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes
31	If write-down, write-down trigger(s)	Contractual write-down at point of non-viability of borrower.
		Contractual recognition of HKMA statutory powers under FIRO
32	If write-down, full or partial	Full or partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A

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4 Composition of regulatory capital (continued)

c. Main features of regulatory capital instruments (CCA) (continued)

(ii) Perpetual non-cumulative capital securities (continued)

35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	In the case of a winding-up of the Borrower, claims against the Borrower in respect of the AT1 Loan shall be subordinated to the claims of all Relevant Creditors. Accordingly, in the case of a winding-up of the Borrower, claims in respect of the AT1 Loan will only be satisfied after the claims of Relevant Creditors. “Relevant Creditors” means any depositors, general creditors of the Borrower and any subordinated creditors of the Borrower (including any creditors in respect of Tier 2 capital instruments) other than those whose claims are expressed to rank pari passu or junior to the claims of Bank of China (Hong Kong) Limited under the AT1 Loan.
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Footnote:

¹ Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules.

² Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules.

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5 Macprudential supervisory measures

Geographical distribution of credit exposures used in countercyclical capital buffer (CCyB1)

The following table sets out an overview of the geographical distribution of private sector credit exposures relevant for the calculation of the Bank's CCyB ratio.

At 30 June 2026

	(a)	(c)	(d)	(e)
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect (%)	RWA used in computation of CCyB ratio HK\$'000	AI-specific CCyB ratio (%)
1	Hong Kong SAR	0.5%	1,655,708	
2	Mainland China	0.0%	2,199	
3	United States	0.0%	5,925	
4	Sum ¹		1,663,832	
5	Total²		1,663,832	0.498%
				8,279

¹ This represents the sum of RWAs for the private sector credit exposures in jurisdictions with a non-zero countercyclical buffer rate.

² The total RWAs used in the computation of the CCyB ratio in column (c) represents the total RWAs for the private sector credit exposures in all jurisdictions to which the bank is exposed, including jurisdictions with no countercyclical buffer rate or with a countercyclical buffer rate set at zero.

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6 Leverage ratio

a. Summary comparison of accounting assets against leverage ratio exposure measure (LR1)

The following table reconciles the total assets in the published financial statements to the LR exposure measure.

At 30 June 2026		(a) Value under the LR framework HK\$'000
1	Total consolidated assets as per published financial statements	6,539,432
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	–
4	Adjustments for temporary exemption of central bank reserves	N/A
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	–
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	–
7	Adjustments for eligible cash pooling transactions	–
8	Adjustments for derivative contracts	–
9	Adjustment for SFTs (i.e. repos and similar secured lending)	1,804
10	Adjustment for off-balance sheet (“OBS”) items (i.e. conversion to credit equivalent amounts of OBS exposures)	27,904
11	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	(851)
12	Other adjustments ²	(34,323)
13	Leverage ratio exposure measure	6,533,966

¹ The differences between the total balance sheet assets as reported in the financial statements and the on-balance sheet exposures set out in LR2 are being the regulatory deduction and adjustment for OBS items.

² Other adjustments mainly represent the intangible assets deducted in determining Tier 1 capital. These are excluded for deriving the leverage ratio exposure in accordance with the ‘Leverage Ratio Framework’ issued by the HKMA.

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6 Leverage ratio (continued)

b. Leverage ratio (LR2)

The following table sets out a detailed breakdown of the components of the LR denominator.

	(a)	(b)
	At 30 June 2026 HK\$'000	At 31 March 2026 HK\$'000
On-balance sheet exposures		
1 On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral) ¹	6,589,156	7,066,270
2 Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	–	–
3 Less: Deductions of receivable assets for cash variation margin provided under derivative contracts	–	–
4 Less: Adjustment for assets other than money received under SFTs that are recognized as an asset	–	–
5 Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(49,724)	(56,288)
6 Less: Asset amounts deducted in determining Tier 1 capital	(34,323)	(45,343)
7 Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6) ¹	6,505,109	6,964,639
Exposures arising from derivative contracts		
8 Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	–	–
9 Add-on amounts for PFE associated with all derivative contracts	–	–
10 Less: Exempted CCP leg of client-cleared trade exposures	–	–
11 Adjusted effective notional amount of written credit-related derivative contracts	–	–
12 Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PPE of written credit-related derivative contracts	–	–
13 Total exposures arising from derivative contracts (sum of rows 8 to 12)	–	–
Exposures arising from SFTs		
14 Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	–	–
15 Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
16 CCR exposure for SFT assets ²	1,804	950
17 Agent transaction exposures	–	–
18 Total exposures arising from SFTs (sum of rows 14 to 17)	1,804	950
Other off-balance sheet exposures		
19 Off-balance sheet exposure at gross notional amount ³	279,042	286,633
20 Less: Adjustments for conversion to credit equivalent amounts	(251,138)	(257,970)
21 Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(851)	(816)
22 Off-balance sheet items (sum of rows 19 to 21)	27,053	27,847
Capital and total exposures		
23 Tier 1 capital	1,763,615	1,747,923
24 Total exposures (sum of rows 7, 13, 18 and 22)	6,533,966	6,993,436
Leverage ratio		
25& 25a Leverage ratio	27.0%	25.0%
26 Minimum leverage ratio requirement	3.0%	3.0%
27 Applicable leverage buffers	N/A	N/A

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6 Leverage ratio (continued)

b. Leverage ratio (LR2) (continued)

	(a)	(b)
	At	At
	30 June	31 March
	2026	2026
	HK\$'000	HK\$'000
Disclosure of mean values		
28 Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	–	–
29 Quarter-end value of gross amount of SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	–	–
30& Total exposures based on mean values from row 28 of gross assets of SFTs (after		
30a adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	6,533,966	6,993,436
31& Leverage ratio based on mean values from row 28 of gross assets of SFTs (after		
31a adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	27.0%	25.0%

¹ Decrease in on-balance sheet exposures was primary driven by the decrease in loan portfolio.

² Increase in exposures arising from SFTs was due to the increase of repurchase agreements.

³ Decrease in off-balance sheet exposure was due to the decrease in loan commitment from SME business.

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7 Credit risk for non-securitization exposures

a. Credit quality of exposures (CR1)

The following table sets out an overview of the credit quality of on- and off-balance sheet exposures

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Gross carrying amounts of			Of which ECL accounting provisions for credit losses on STC approach exposures	Allocated in regulatory category of specific provisions	Of which ECL accounting provisions for credit losses on IRB approach exposures	Net values (a+b-c)
At 30 June 2026	Defaulted Exposures HK\$'000	Non-defaulted exposures HK\$'000	Allowances/ Impairments HK\$'000	Allocated in regulatory category of specific provisions HK\$'000	Allocated in regulatory category of collective provisions HK\$'000	approach exposures HK\$'000	HK\$'000
1 Loans	36,868	2,479,794	49,022	23,831	25,191	–	2,467,640
2 Debt securities	–	3,596,344	784	–	784	–	3,595,560
3 Off-balance sheet exposures	–	279,042	851	–	851	–	278,191
4 Total	36,868	6,355,180	50,657	23,831	26,826	–	6,341,391

b. Changes in defaulted loans and debt securities (CR2)

The following table sets out information on the changes in defaulted loans and debt securities, including any changes in the amount of defaulted exposures, movements between non-defaulted and defaulted exposures, and reductions in the defaulted exposures due to write-offs.

	(a) HK\$'000
1 Defaulted loans and debt securities at end of the previous reporting period (31 December 2025)	35,096
2 Loans and debt securities that have defaulted since the last reporting period	29,995
3 Returned to non-defaulted status	(8,273)
4 Amounts written off	(19,938)
5 Other changes	(12)
6 Defaulted loans and debt securities at end of the current reporting period (30 June 2026)	36,868

The defaulted loans increased during the first half of 2026 was mainly from retail loans portfolio.

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7 Credit risk for non-securitization exposures (continued)

c. Overview of recognized credit risk mitigation (CR3)

The following table sets out the extent of credit risk exposures covered by different types of recognized CRM.

	(a)	(b)	(c)	(d)	(e)
	Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
At 30 June 2026	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1 Loans	1,724,840	742,800	–	742,800	–
2 Debt securities	3,595,560	–	–	–	–
3 Total	5,320,400	742,800	–	742,800	–
4 Of which defaulted	–	13,037	–	13,037	–

d. Credit risk exposures and effects of recognized credit risk mitigation – for STC approach (CR4)

The following table sets out the effect of any recognized CRM (including recognized collateral under both comprehensive and simple approaches) on the calculation of capital requirements. RWA density provides a synthetic metric on riskiness of each portfolio.

	(a)	(b)	(c)	(d)	(e)	(f)
	Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
Exposure classes	On-balance sheet amount HK\$'000	Off-balance sheet amount HK\$'000	On-balance sheet amount HK\$'000	Off-balance sheet amount HK\$'000	RWA HK\$'000	RWA density %
1 Sovereign exposures	2,460,244	2,813	3,203,334	2,813	–	–
2 Public sector entity exposures	197,805	–	197,805	–	39,561	20%
3 Multilateral development bank exposures	–	–	–	–	–	–
3a Unspecified multilateral body exposures	–	–	–	–	–	–
4 Bank exposures	1,341,467	–	1,341,467	–	384,062	29%
4a Qualifying non-bank financial institution exposures	–	–	–	–	–	–
5 Eligible covered bond exposures	–	–	–	–	–	–
6 General corporate exposures	1,820,741	9,000	1,201,129	900	1,080,554	90%

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7 Credit risk for non-securitization exposures (continued)

d. Credit risk exposures and effects of recognized credit risk mitigation – for STC approach (CR4) (continued)

		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
	Exposure classes	On-balance sheet amount HK\$'000	Off-balance sheet amount HK\$'000	On-balance sheet amount HK\$'000	Off-balance sheet amount HK\$'000	RWA HK\$'000	RWA density %
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	—	—	—	—	—	—
6b	Specialized lending	—	—	—	—	—	—
7	Equity exposures	—	—	—	—	—	—
7a	Significant capital investments in commercial entities	—	—	—	—	—	—
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	—	—	—	—	—	—
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	—	—	—	—	—	—
8	Retail exposures	365,654	270,042	255,213	27,004	211,663	75%
8a	Exposures arising from IPO financing	—	—	—	—	—	—
9	Real estate exposures	293,399	—	293,399	—	293,399	100%
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	—	—	—	—	—	—
9b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	—	—	—	—	—	—
9c	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	—	—	—	—	—	—

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7 Credit risk for non-securitization exposures (continued)

d. Credit risk exposures and effects of recognized credit risk mitigation – for STC approach (CR4) (continued)

	Exposure classes	(a) Exposures pre-CCF and pre-CRM	(b) Exposures pre-CCF and pre-CRM	(c) Exposures post-CCF and post-CRM	(d) Exposures post-CCF and post-CRM	(e) RWA and RWA density	(f) RWA density
		On-balance sheet amount HK\$'000	Off-balance sheet amount HK\$'000	On-balance sheet amount HK\$'000	Off-balance sheet amount HK\$'000	RWA HK\$'000	RWA density %
9d	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	–
9e	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	293,399	–	293,399	–	293,399	100%
9f	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	–
9g	Of which: land acquisition, development and construction exposures	–	–	–	–	–	–
10	Defaulted exposures	13,037	–	–	–	–	–
11	Other exposures	38,655	–	38,655	–	38,655	100%
11a	Cash and gold	–	–	–	–	–	–
11b	Items in the process of clearing or settlement	–	–	–	–	–	–
12	Total	6,531,002	281,855	6,531,002	30,717	2,047,894	31%

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7 Credit risk for non-securitization exposures (continued)

e. Credit risk exposures by exposure classes and by risk weights – for STC approach (CR5)

The following table sets out a breakdown of credit risk exposures by exposures classes and by risk weights (corresponding to the classification of exposures according to the approaches used).

At 30 June 2026

Amount in HK\$'000

1		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)		
	Sovereign exposures	3,206,147	–	–	–	–	–	3,206,147		
2		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)		
	Public sector entity exposures	–	197,805	–	–	–	–	197,805		
3		0%	20%	30%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)	
	Multilateral development bank exposures	–		–	–	–	–	–	–	
3a		20%	30%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)		
	Unspecified multilateral body exposures	–	–	–	–	–	–	–	–	
4		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
	Bank exposures	183,782	1,157,685	–	–	–	–	–	–	1,341,467
4a		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
	Qualifying non-bank financial institution exposures	–	–	–	–	–	–	–	–	–
5		10%	15%	20%	25%	35%	50%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
	Eligible covered bond exposures	–	–	–	–	–	–	–	–	–

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7 Credit risk for non-securitization exposures (continued)

e. Credit risk exposures by exposure classes and by risk weights – for STC approach (CR5) (continued)

At 30 June 2026

Amount in HK\$'000

		20%	30%	50%	65%	75%	85%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
6	General corporate exposures	–	–	–		414,573	118,878	668,578	–	–	1,202,029
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	–	–	–		–	–	–	–	–	–

		20%	50%	75%	80%	100%	130%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
6b	Specialized lending	–	–	–	–	–	–	–	–	–

		100%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
7	Equity exposures		–	–	–	–

		250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
7a	Significant capital investments in commercial entities	–	–	–	–	–

		150%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	–	–	–	–	–

		150%	Other	Total credit exposure amount (post-CCF and post-CRM)
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	–	–	–

		45%	75%	100%	Other	Total credit exposure amount (post CCF and post-CRM)
8	Retail exposures	–	282,217	–	–	282,217

		0%	Other	Total credit exposure amount (post-CCF and post-CRM)
8a	Exposures arising from IPO financing	–	–	–

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7 Credit risk for non-securitization exposures (continued)

e. Credit risk exposures by exposure classes and by risk weights – for STC approach (CR5) (continued)

At 30 June 2026

Amount in HK\$'000

		0 %	20 %	25 %	30 %	35 %	40 %	45 %	50 %	60 %	65 %	70 %	75 %	85 %	90 %	100 %	105 %	110 %	150 %	Other	Total credit exposure amount (post-CCF and post-CRM)
9	Real estate exposures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	293,399	–	–	–	–	293,399
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9b	Of which: no loan splitting applied	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9c	Of which: loan splitting applied (secured)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9d	Of which: loan splitting applied (unsecured)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9e	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9g	Of which: no loan splitting applied	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9h	Of which: loan splitting applied (secured)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9i	Of which: loan splitting applied (unsecured)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

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7 Credit risk for non-securitization exposures (continued)

e. Credit risk exposures by exposure classes and by risk weights – for STC approach (CR5) (continued)

At 30 June 2026

Amount in HK\$'000

		0 %	20 %	25 %	30 %	35 %	40 %	45 %	50 %	60 %	65 %	70 %	75 %	85 %	90 %	100 %	105 %	110 %	150 %	Other	Total credit exposure amount (post-CCF and post-CRM)
9j	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)											–			–			–		–	–
9k	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	–		–		–		–				–	–		293,399			–	–	293,399
9l	Of which: no loan splitting applied	–	–		–		–		–				–	–		293,399			–	–	293,399
9m	Of which: loan splitting applied (secured)																				
9n	Of which: loan splitting applied (unsecured)																				
9o	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)																		–	–	–
9p	Of which: land acquisition, development and construction exposures															–			–	–	–

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7 Credit risk for non-securitization exposures (continued)

e. Credit risk exposures by exposure classes and by risk weights – for STC approach (CR5) (continued)

At 30 June 2026

Amount in HK\$'000

		50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
10	Defaulted exposures		–	–	–	–

		100%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
11	Other exposures	38,655	–	–	38,655

		0%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
11a	Cash and gold	–	–	–	–

		0%	20%	Other	Total credit exposure amount (post-CCF and post-CRM)
11b	Items in the process of clearing or settlement	–	–	–	–

Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures.

		(a) On-balance sheet exposure HK\$'000	(b) Off-balance sheet exposure (pre-CCF) HK\$'000	(c) Weighted average CCF HK\$'000	(d) Exposure (post-CCF and post- CRM) HK\$'000
	Risk Weight				
1	Less than 40%	3,999,516	2,813	0%	4,745,419
2	40-70%	–	–	0%	–
3	75%	780,227	270,042	10%	696,790
4	85%	695,027	9,000	10%	118,878
5	90-100%	1,043,195	–	0%	1,000,632
6	105-130%	–	–	0%	–
7	150%	13,037	–	0%	–
8	250%	–	–	0%	–
9	400%	–	–	0%	–
10	1,250%	–	–	0%	–
11	Total exposures	6,531,002	281,855	10%	6,561,719

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8 Counterparty credit risk

a. Analysis of counterparty credit risk exposures (other than those to CCPs) by approaches (CCR1)

	(a)	(b)	(c)	(d)	(e)	(f)
	Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
At 30 June 2026	HK\$'000	HK\$'000	HK\$'000		HK\$'000	HK\$'000
1 SA-CCR approach (for derivative contracts)	–	–		1.4	–	–
1a CEM (for derivative contracts)	–	–		1.4	–	–
1b Method for group 2b cryptoasset derivative contracts	–	–		1.4	–	–
2 IMM (CCR) approach			–	–	–	–
3 Simple approach (for SFTs)					–	–
4 Comprehensive approach (for SFTs)					2,813	–
5 VaR (for SFTs)					–	–
6 Total						–

b. Counterparty credit risk exposures (other than those to CCPs) by exposure classes and by risk weights – for STC approach (CCR3)

At 30 June 2026

	(a)	(b)	(c)	(ca)	(cb)	(d)	(e)	(ea)	(f)	(g)	(h)	(i)
Risk Weight	0%	10%	20%	30%	40%	50%	75%	85%	100%	150%	Others	Total default risk exposure after CRM
Exposure class	HK\$'000											
1 Sovereign exposures	2,813	–	–	–	–	–	–	–	–	–	–	2,813
2 Public sector entity exposures	–	–	–	–	–	–	–	–	–	–	–	–
3 Multilateral development bank exposures	–	–	–	–	–	–	–	–	–	–	–	–
4 Unspecified multilateral body exposures	–	–	–	–	–	–	–	–	–	–	–	–
5 Bank exposures	–	–	–	–	–	–	–	–	–	–	–	–
6 Qualifying non-bank financial institution exposures	–	–	–	–	–	–	–	–	–	–	–	–
7 General corporate exposures	–	–	–	–	–	–	–	–	–	–	–	–
8 Retail exposures	–	–	–	–	–	–	–	–	–	–	–	–
9 Defaulted exposures	–	–	–	–	–	–	–	–	–	–	–	–
10 Other exposures	–	–	–	–	–	–	–	–	–	–	–	–
11 Total	2,813	–	–	–	–	–	–	–	–	–	–	2,813

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8 Counterparty credit risk (continued)

c. Composition of collateral for counterparty credit risk exposures (including those for contracts or transactions cleared through CCPs) (CCR5)

	(a)	(b)	(c)	(d)	(e)	(f)
	Derivative contracts				SFTs	
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
At 30 June 2026	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash - domestic currency	–	–	–	–	200,000	–
Cash - other currencies	–	–	–	–	–	–
Domestic sovereign debt	–	–	–	–	–	201,804
Other sovereign debt	–	–	–	–	–	–
Government agency debt	–	–	–	–	–	–
Corporate bonds	–	–	–	–	–	–
Equity securities	–	–	–	–	–	–
Other collateral	–	–	–	–	–	–
Total	–	–	–	–	200,000	201,804

d. Credit-related derivatives contracts (CCR6)

	(a)	(b)
	Protection bought	Protection sold
At 30 June 2026	HK\$'000	HK\$'000
Notional amounts		
Single-name credit default swaps	–	–
Index credit default swaps	–	–
Total return swaps	–	–
Credit-related options	–	–
Other credit-related derivative contracts	–	–
Total notional amounts	–	–
Fair values		
Positive fair value (asset)	–	–
Negative fair value (liability)	–	–

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8 Counterparty credit risk (continued)

e. Exposures to CCPs (CCR8)

At 30 June 2026		(a) Exposure after CRM HK\$'000	(b) RWA HK\$'000
1	Exposures of the AI as clearing member or clearing client to qualifying CCPs (total)		–
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	–	–
3	(i) OTC derivative transactions	–	–
4	(ii) Exchange-traded derivative contracts	–	–
5	(iii) Securities financing transactions	–	–
6	(iv) Netting sets subject to valid cross-product netting agreements	–	–
7	Segregated initial margin	–	
8	Unsegregated initial margin	–	–
9	Funded default fund contributions	–	–
10	Unfunded default fund contributions	–	–
11	Exposures of the AI as clearing member or clearing client to non-qualifying CCPs (total)		–
12	Default risk exposures to non-qualifying CCPs (excluding items disclosed in rows 17 to 20), of which:	–	–
13	(i) OTC derivative transactions	–	–
14	(ii) Exchange-traded derivative contracts	–	–
15	(iii) Securities financing transactions	–	–
16	(iv) Netting sets subject to valid cross-product netting agreements	–	–
17	Segregated initial margin	–	
18	Unsegregated initial margin	–	–
19	Funded default fund contributions	–	–
20	Unfunded default fund contributions	–	–

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9 Credit valuation adjustment risk

a. CVA risk under standardized CVA approach (CVA3)

The following table provides the components used for the calculation of CVA risk capital charge under the standardized CVA approach.

At 30 June 2026		(a) CVA risk capital charge under the standardized CVA approach	(b) Number of counterparties
1	Interest rate risk	–	
2	Foreign exchange risk	–	
3	Reference credit spread risk	–	
4	Equity risk	–	
5	Commodity risk	–	
6	Counterparty credit spread risk	–	
7	Total (sum of rows 1 to 6)	–	–

The Bank has no CVA risk exposures as of 30 June 2026.

b. Risk-weighted amount flow statements of CVA risk exposures (CVA4)

The following table sets out the flow statement explaining variations in RWA for CVA risk determined under the standardized CVA approach.

	(a) HK\$'000
1 Total RWA for CVA risk at 31 March 2026	–
2 Total RWA for CVA risk at 30 June 2026	–

The Bank has no CVA risk exposure as of 30 June 2026 and 31 March 2026.

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10 Asset encumbrance (ENC)

The following table provides the amount of encumbered and unencumbered assets.

	(a)	(c)	(d)
	Encumbered assets	Unencumbered assets	Total
At 30 June 2026	HK\$'000	HK\$'000	HK\$'000
Cash and balances with banks	–	353,655	353,655
Placements with banks	–	28,229	28,229
Financial investments	201,804	3,381,705	3,583,509
Loans and advances to customers	–	2,464,186	2,464,186
Property, Plant and equipment	–	20,765	20,765
Intangible assets	–	34,323	34,323
Prepayments and other assets	–	54,765	54,765
Total on-balance sheet assets	<u>201,804</u>	<u>6,337,628</u>	<u>6,539,432</u>

Compared with 31 December 2025, the Bank's encumbered assets decreased primarily due to a decrease in repurchase agreements.

11 International claims

International claims are on-balance sheet exposures of counterparties based on the location of those counterparties after taking into account the transfer of risk.

Recognized risk transfer refers to the reduction of exposure to a particular country by an effective transfer of credit risk to a different country. For a claim on the branch of a bank or other financial institution, the risk will be transferred to the country where its head office is situated.

International claims on individual countries or segments, after risk transfer, amounting to 10% or more of the aggregated international claims are shown as below:

	<i>Banks</i>	<i>Official</i>	<i>Non-bank</i>	<i>Non-financial</i>	
	<i>HK\$'000</i>	<i>sector</i>	<i>financial</i>	<i>private</i>	<i>Total</i>
At 30 June 2026		<i>HK\$'000</i>	<i>institution</i>	<i>sector</i>	<i>HK\$'000</i>
Developed countries					
– of which United States	–	401,149	5,925	–	407,074
Offshore centres					
– of which Hong Kong	54,448	–	42,582	555,684	652,715
Developing Asia and Pacific					
– of which China	1,154,775	139,198	1,846	353	1,296,172

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12 Loans and advances to customers and banks

a. Loans and advances to customers

Sector and Geographical information

The following analysis of the gross loans and advances to customers by industry sector is based on the categories with reference to the completion instructions for the HKMA return of loans and advances. The geographical location of the gross loans and advances to customers is based on the locations of the counterparties, after taking into account the transfer of risk. For the loans and advances to customer guaranteed by a party situated in a location different from the customer, the risk will be transferred to the location of the guarantor.

Gross Loans and advances in Hong Kong and for use in Hong Kong	As at 30 June 2026				
	Outstanding balance HKD'000	Impaired advances to customers HKD'000	Balance covered by collateral / other security HKD'000	Specific provision HKD'000	Collective provision HKD'000
Industrial, commercial and financial					
– Property development	203,475	–	–	–	486
– Property investment	401,188	–	–	–	1,754
– Wholesale and retail trade	402,665	3,236	–	2,042	3,192
– Manufacturing	124,041	–	–	–	250
– Transport and transport equipment	225,352	–	–	–	361
– Information technology	151,189	–	–	–	181
– Others	749,313	12,008	–	164	6,162
Individuals					
– Others	255,547	21,216	–	21,216	12,776
	<u>2,512,770</u>	<u>36,460</u>	<u>–</u>	<u>23,422</u>	<u>25,162</u>

For those industry sectors constituting not less than 10% of the Bank's gross loans and advances to customers, the amounts of new impairment allowances charged to the income statement, and classified or impaired loans written off during the year are shown below:

Gross Loans and advances in Hong Kong and for use in Hong Kong	2026	
	New impairment charged to income statement HKD'000	Impaired loans and advances written off HKD'000
Industrial, commercial and financial		
– Property investment	(322)	–
– Wholesale and retail trade	69	2,036
– Others	49	2,632
Individuals		
– Others	6,069	14,237
	<u>5,865</u>	<u>18,905</u>

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12 Loans and advances to customers and banks (continued)

a. Loans and advances to customers (continued)

Overdue loans and advances to customers

Gross loans and advances to customers which have been overdue with respect to either principal or interest for period of:

	As at 30 June 2026	
	HK\$'000	% of total loans and advances
– 6 months or less but over 3 months	8,386	0.34%
– 1 year or less but over 6 months	5,125	0.20%
– over 1 year	3,246	0.13%
	<u>16,757</u>	<u>0.67%</u>
Rescheduled loans and advances to customers, excluding those which have been overdue for more than 3 months	<u>15,022</u>	<u>0.60%</u>

b. Loans and advances to banks

The Bank does not have any loans and advances to banks as of 30 June 2026.

13 Repossessed assets

The Bank does not hold any repossessed assets as of 30 June 2026 and 31 December 2025.

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14 Mainland activities

	At 30 June 2026		
	On-balance sheet exposure HK\$'000	Off- balance sheet exposure HK\$'000	Total HK\$'000
(i) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	–	–	–
(ii) Local governments, local government-owned entities and their subsidiaries and JVs	–	–	–
(iii) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,199	–	2,199
(iv) Other entities of central government not reported in item (i) above	–	–	–
(v) Other entities of local governments not reported in item (ii) above	–	–	–
(vi) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	–	–	–
(vii) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	–	–	–
Total	2,199	–	2,199
Total assets after provision	6,555,246		
On-balance sheet exposures as percentage of total assets	0.03%		

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15 Off-balance sheet exposures – Contingent liabilities and commitments

	At 30 June 2026 HK\$'000
Contractual or notional amounts	
Direct credit substitutes	–
Transaction-related contingencies	–
Trade-related contingencies	–
Forward asset purchases	–
Forward deposits placed	–
Other commitments:	
which are not unconditionally cancellable:	–
with original maturity of not more than one year	–
with original maturity of more than one year	–
which are unconditionally cancellable	279,042
	<u>279,042</u>
Credit risk weighted amount	<u>21,018</u>

16 Foreign exchange risk

The currency risk arising from the Bank's operations for those individual currencies which each constitute more than 10% of the total net positions in all foreign currencies are as follows:

	At 30 June 2026	
	US Dollars HK\$'000	Chinese Renminbi HK\$'000
Spot assets	1,642,757	153,950
Spot liabilities	698,343	170,280
Forward purchases	–	–
Forward sales	–	–
Net long/(short) non-structural position	<u>944,414</u>	<u>(16,330)</u>

The Bank does not have structural FX position as of 30 June 2026.

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Acronyms

AI	Authorised institution
ALCO	Asset and Liability Committee
AT1	Additional tier 1
Bank	Livi Bank Limited
BCR	Banking (Capital) Rules
BSC	Basic approach
CCF	Credit conversion factor
CCP	Central counterparty
CCR	Counterparty credit risk
CCyB	Countercyclical capital buffer
CEM	Current exposure method
CET1	Common equity tier 1
CIS	Collective investment scheme
CRM	Credit risk mitigation
CVA	Credit valuation adjustment
D-SIB	Domestic systematically important authorised institution
DTAs	Deferred tax assets
EL	Expected loss
FBA	Fall-back approach
G-SIB	Global systematically important authorised institution
HKMA	Hong Kong Monetary Authority
IMM	Internal models approach
IMM (CCR)	Internal models (counterparty credit risk) approach
IRB	Internal ratings-based approach
JCCyB	Jurisdictional countercyclical capital buffer
LAC	Loss-absorbing Capacity
LCR	Liquidity Coverage Ratio
LMR	Liquidity Maintenance Ratio
LR	Leverage Ratio
LTA	Look through approach
MBA	Mandate-based approach
MSRs	Mortgage servicing rights
N/A	Not applicable
PFE	Potential future exposure
PRC	People's Republic of China
PSE	Public sector entity
RW	Risk-weight
RWA	Risk-weighted asset/risk-weighted amount
S	Securitization

SA-CCR	Standardised approach for counterparty credit risk
SEC-ERBA	Securitization external ratings-based approach
SEC-FBA	Securitization fall back approach
SEC-IRBA	Securitization internal ratings-based approach
SEC-SA	Securitization standardised approach
SFT	Securities financing transaction
STC	Standardised (credit risk) approach
STM	Standardised (market risk) approach

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